

INITIAL STATEMENT OF REASONS

SECTION 11967.8. Countywide Charter Schools

SPECIFIC PURPOSE OF THE REGULATIONS

The proposed regulations will clarify existing law with regard to the funding process to be used for countywide charter schools, and will determine the manner in which financial audits for countywide charter schools shall be conducted.

NECESSITY/RATIONALE

Assembly Bill (AB) 1994 (Chapter 1058, Statutes of 2002) amended the Charter School Act of 1992, and added *Education Code* Section 47605.6 that creates new responsibilities for county boards of education to review and approve charter schools of countywide interest that propose to operate on multiple sites within the county.

SECTION 11967.8

This section provides technical clarity regarding the funding and operations of countywide charter schools, as well as the conduct of audits and resolution of audit exceptions. The regulations are proposed to be effective for the whole of 2003-04 and each fiscal year thereafter.

Subdivision (a). Clarifies that a countywide charter school is funded in keeping with the funding provisions otherwise applicable to charter schools and is directly funded. These are sensible elaborations on a statute that is incomplete and result in no additional costs to the state for students who attend countywide charter schools in lieu of other charter schools.

Subdivision (b). Clarifies the meaning of “sponsoring local education agency” for purposes of countywide charter schools. This clarification ensures that local tax funds are transferred appropriately to countywide charter schools based upon the revenues accruing to the districts in which the schools’ pupils resides, and ensures that related financial calculations are made properly. This is sensible elaboration on a statute that is incomplete and results in no additional costs to the state for students who attend countywide charter schools in lieu of other charter schools.

Subdivision (c). Clarifies how funds are technically to be allocated on behalf of countywide charter schools. This is a sensible elaboration on a statute that is incomplete and results in no additional costs to the state for students who attend countywide charter schools in lieu of other charter schools.

Subdivision (d). Provides technical authorization for inclusion of countywide charter schools in STRS and PERS (which is clearly envisioned in statute). These are sensible elaborations on a statute that is incomplete and result in no additional costs to the state for students who attend countywide charter schools in lieu of other charter schools.

Subdivision (e). Extends to countywide charter schools the regulations pertaining to audits and resolution of audit exceptions that apply to schools chartered by the State Board of Education on appeal. These are sensible elaborations and are consistent with the specific direction set forth in *Education Code* Section 47605.6(b)(5)(I).

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDIES, REPORTS, OR DOCUMENTS.

The State Board did not rely upon any other technical, theoretical, or empirical studies, reports, or documents in proposing the adoption of these regulations.

REASONABLE ALTERNATIVES TO THE REGULATIONS AND THE AGENCY'S REASONS FOR REJECTING THOSE ALTERNATIVES.

The State Board was not presented with other viable alternatives to the adoption of these regulations.

REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESS.

The State Board has not identified any alternatives that would lessen any adverse impact on small business.

EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT ADVERSE ECONOMIC IMPACT ON ANY BUSINESS.

The proposed regulations would not have a significant adverse economic impact on any business because they provide a process for a new type of charter school to obtain funding and therefore, have no effect on existing charter schools or small businesses.